



# 122nd MAINE LEGISLATURE

## SECOND REGULAR SESSION-2006

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Legislative Document

No. 1919

H.P. 1360

House of Representatives, January 4, 2006

### **An Act To Amend the Laws Governing Real Estate Appraiser Licensing To Comply with Federal Law**

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Submitted by the Department of Professional and Financial Regulation pursuant to Joint Rule 204.

Reference to the Committee on Business, Research and Economic Development suggested and ordered printed.

*Millicent M. MacFarland*  
MILlicent M. MacFARLAND  
Clerk

Presented by Representative FARRINGTON of Gorham.  
Cosponsored by Senator HOBBS of York and  
Representatives: O'BRIEN of Lewiston, RECTOR of Thomaston.

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 32 MRSA §14002, sub-§4-A is enacted to read:

4-A. Appraisal subcommittee. "Appraisal subcommittee" means the Appraisal Subcommittee of the Federal Financial Institutions Examination Council established pursuant to Title XI of the federal Financial Institutions Reform, Recovery and Enforcement Act of 1989.

Sec. 2. 32 MRSA §14027, sub-§1, as enacted by PL 2005, c. 262, Pt. D, §5, is amended to read:

1. Requirement. As a prerequisite to renewal of a license, an applicant must have completed the minimum hour requirements for continuing education in programs or courses approved by the board ~~and as set by the~~ appraiser ~~qualification~~ qualifications board, which must include a 7-hour uniform standards of professional appraisal practice update course. For purposes of this section, the board may establish, by rule, a core educational requirement.

Sec. 3. 32 MRSA §14030, sub-§3 is enacted to read:

3. Repeal. This section is repealed January 1, 2008.

Sec. 4. 32 MRSA §14031, sub-§3 is enacted to read:

3. Repeal. This section is repealed January 1, 2008.

Sec. 5. 32 MRSA §14032, sub-§3 is enacted to read:

3. Repeal. This section is repealed January 1, 2008.

Sec. 6. 32 MRSA §14033, sub-§5 is enacted to read:

5. Repeal. This section is repealed January 1, 2008.

Sec. 7. 32 MRSA §14035 is enacted to read:

§14035. Certified general real property appraiser

1. Scope of license. A certified general real property appraiser license entitles the holder to appraise all types of real property.

2. Professional qualifications. An applicant for a certified general real property appraiser license must meet the licensing requirements approved by the appraiser qualifications board. Each applicant must:

- 2        A. Hold a bachelor's or higher degree from an accredited  
4        college or university or have successfully passed 30  
6        semester credit hours in the following college-level subject  
         matter courses from an accredited college, junior college,  
         community college or university:
- 8                (1) English composition;  
10               (2) Microeconomics;  
12               (3) Macroeconomics;  
14               (4) Finance;  
16               (5) Algebra, geometry or higher mathematics;  
18               (6) Statistics;  
20               (7) Introduction to computers, word processing and  
22               spreadsheets;  
24               (8) Business or real estate law; and  
26               (9) Two elective courses in accounting, geography,  
28               agricultural economics, business management or real  
               estate.
- 30        An applicant may receive credit as for a college course for  
32        an exam taken through a college-level examination program if  
34        a college or university accredited by a commission on  
36        colleges, a regional or national accreditation association  
         or an accrediting agency that is recognized by the United  
         States Secretary of Education accepts the exam and issues a  
         transcript showing its approval;
- 38        B. Satisfactorily complete 300 creditable class hours as  
40        specified in the required core curriculum, as approved by  
42        the appraisal subcommittee, which must include the 15-hour  
         national uniform standards of principles of appraisal  
         practice course and examination;
- 44        C. Pass the appraisal subcommittee uniform state-certified  
         general real property appraiser examination; and
- 46        D. Hold a valid license under this chapter and demonstrate  
48        3,000 hours of appraisal experience obtained during no fewer  
50        than 30 months, including 1,500 hours of nonresidential  
         appraisal work.

2        3. Effective date. This section takes effect January 1,  
3        2008.

4        Sec. 8. 32 MRSA §14036 is enacted to read:

6        §14036. Certified residential real property appraiser

8        1. Scope of license. A certified residential real property  
9        appraiser license entitles the holder to appraise residential  
10       real estate or real property of one to 4 residential units,  
11       without regard to value or complexity and to appraise vacant or  
12       unimproved land that is to be used for one to 4 family units or  
13       for which the highest and best use is for one to 4 family units.  
14       A certified residential real property appraiser license does not  
15       entitle the holder to appraise subdivisions for which a  
16       development analysis and appraisal is necessary.

18       2. Professional qualifications. An applicant for a  
19       certified residential real property appraiser license must meet  
20       the licensing requirements approved by the appraiser  
21       qualifications board. Each applicant must:

22       A. Hold an associate's or higher degree from an accredited  
23       college or university or have successfully passed 21  
24       semester credit hours in the following collegiate level  
25       subject matter courses from an accredited college, junior  
26       college, community college or university:

27       (1) English composition;

28       (2) Principles of microeconomics or macroeconomics;

29       (3) Finance;

30       (4) Algebra, geometry or higher mathematics;

31       (5) Statistics;

32       (6) Introduction to computers, word processing and  
33       spreadsheets; and

34       (7) Business or real estate law.

35       An applicant may receive credit as for a college course for  
36       an exam taken through a college-level examination program if  
37       a college or university accredited by a commission on  
38       colleges, a regional or national accreditation association  
39       or an accrediting agency that is recognized by the United  
40       States Secretary of Education accepts the exam and issues a  
41       transcript showing its approval;

2        B. Satisfactorily complete 200 creditable class hours as  
4        specified in the required core curriculum, as approved by  
6        the appraisal subcommittee, which must include the 15-hour  
      national uniform standards of principles of appraisal  
      practice course and examination;

8        C. Pass the appraisal subcommittee uniform state-certified  
10       residential real property appraiser examination; and

12       D. Hold a valid license under this chapter and demonstrate  
14       2,500 hours of appraisal experience obtained during no fewer  
      than 24 months.

16       3. Effective date. This section takes effect January 1,  
      2008.

18       Sec. 9. 32 MRSA §14037 is enacted to read:

20       §14037. Licensed residential real property appraiser

22       1. Scope of license. For federally related transactions, a  
24       residential real property appraiser license entitles the holder  
26       to appraise noncomplex residential property of one to 4 units  
28       having a transaction value of less than \$1,000,000 and complex  
30       residential property of one to 4 units having a transaction value  
32       of less than \$250,000. For purposes of this section, "complex  
34       residential property of one to 4 units" means property that is  
36       atypical based on the nature of the property, the form of  
38       ownership or the market conditions. For nonfederally related  
      transaction appraisals, "transaction value" means market value.  
      A residential real property appraiser license entitles the holder  
      to appraise vacant or unimproved land that is used for one to 4  
      family purposes or for which the highest and best use is for one  
      to 4 family purposes. A residential real property appraiser  
      license does not entitle the holder to appraise subdivisions for  
      which a development analysis and appraisal is necessary.

40       2. Professional qualifications. Each applicant for a  
42       residential real property appraiser license must meet the  
      licensing requirements approved by the appraiser qualifications  
      board. Each applicant must:

44       A. Satisfactorily complete 150 creditable class hours as  
46       specified in the required core curriculum, as approved by  
48       the appraisal subcommittee, which must include the 15-hour  
      national uniform standard of principles of appraisal  
      practice course and examination;

2 B. Pass the appraisal subcommittee licensed residential  
3 real property appraiser examination; and

4 C. Hold a valid license under this chapter and demonstrate  
5 2,000 hours of appraisal experience obtained during no fewer  
6 than 12 months.

8 3. Effective date. This section takes effect January 1,  
9 2008.

10 Sec. 10. 32 MRSA §14038 is enacted to read:

12 §14038. Trainee real property appraiser

14 1. Scope of license. A trainee real property appraiser  
15 license entitles the holder to appraise properties pursuant to  
16 this section under the supervision of a certified residential  
17 real property appraiser or a certified general real property  
18 appraiser. The trainee may appraise properties that the  
19 supervising certified residential real property appraiser or  
20 certified general real property appraiser is permitted by this  
21 chapter to appraise and is qualified to appraise.

24 2. Professional qualification. Each applicant for a  
25 trainee real property appraiser license must meet the licensing  
26 requirements approved by the appraiser qualifications board.  
27 Each applicant must satisfactorily complete 75 creditable class  
28 hours as specified in the required core curriculum as approved by  
29 the appraisal subcommittee, which must include the 15-hour  
30 national uniform standards of principles of appraisal practice  
31 course and examination.

34 3. Filing with board. Before employing a trainee real  
35 property appraiser, a supervising certified residential real  
36 property appraiser or certified general real property appraiser  
37 must register the name and starting date of employment of that  
38 trainee with the board.

40 4. Trainee supervision limitations. A trainee real  
41 property appraiser may have more than one supervising certified  
42 residential real property appraiser or certified general real  
43 property appraiser, but a supervising appraiser may not supervise  
44 more than 3 trainee real property appraisers at one time.

46 5. Limited license term. A trainee real property appraiser  
47 license may only be renewed for 2 biennial terms. After 6 years,  
48 the trainee is not eligible for license renewal but must qualify  
49 as a new applicant.

6. Effective date. This section takes effect January 1, 2008.

**Sec. 11. Transition provisions.** An applicant who submits a license application to the Department of Professional and Financial Regulation, Office of Licensing and Registration, Board of Real Estate Appraisers between January 1, 2008 and December 30, 2009 who has satisfactorily completed one or more of the requirements for licensure, education, experience and examination prior to January 1, 2008 is deemed to satisfy the requirements for licensure, education, experience and examination in effect at the time of application with respect to that requirement as required for that level of licensure, while such an applicant who has not satisfactorily completed one or more of the requirements for licensure, education, experience and examination must meet the requirements in effect at the time of application with respect to that requirement. An applicant who does not complete the requirements for licensure before December 31, 2009 must satisfy all of the requirements for licensure in effect at the time of application.

**Sec. 12. License status.** On the effective date of this Act every person holding an active license issued pursuant to the Maine Revised Statutes, Title 32, chapter 124, subchapter 3 under the requirements for that level of license in effect prior to January 1, 2008 remains licensed at the same level and is not required to meet the new license criteria for that same level of licensure effective January 1, 2008.

**Sec. 13. Licensed real property appraiser.** Beginning January 1, 2008, every person holding an active real property appraiser license must be issued a residential real property appraiser license at the time the licensee next is issued a license.

## SUMMARY

This bill proposes to change the license qualifications for real estate appraiser applicants to conform to the education, experience and examination requirements adopted by the federally recognized appraiser qualifications board, effective January 1, 2008. Under the provisions of Title XI of the federal Financial Institutions Reform, Recovery and Enforcement Act of 1989, the appraiser qualifications board establishes the minimum education, experience and examination requirements for real estate appraisers to obtain a state license.

The changes include an increase in the education requirements for licensure. The changes include an increase in the number of appraisal-related classroom hours in addition to

2 the requirement of an associate's degree or 21 semester credit  
hours of specific courses identified by the appraiser  
4 qualifications board and a bachelor's degree or 30 semester  
credit hours or specific courses identified by the appraiser  
6 qualifications board for applicants applying for the certified  
residential and certified general license level, respectively.